



PLAN FOR A SECURE RETIREMENT
Guaranteed income. For life.

ACCUMULATION ANNUITIES

Background

For more than a decade, employers have been shifting away from the traditional defined benefit plan leaving the 401(k) to become the primary benefit plan for the future. While the 401(k) presents some tremendous benefits for both the plan sponsor and participant, there are also some serious drawbacks. Above all, the 401(k) lacks a guaranteed income for life feature inherent in DB plans. This places investment and longevity risks squarely on the shoulders of the plan participants.

The (k) Annuity™

ANNUA has developed an innovative income replacement vehicle to fill the need for guaranteed income for life while maintaining the portability of the 401(k) plan, **The (k) Annuity™**. Highlights include:

- Employer contributions are used to purchase annuity income units for eligible plan participants over their working years (employees also have option to contribute)
- Annuity purchases are spread over a select universe of top rated insurance companies to provide risk diversification and maintain annuity values within state guaranty limits
- All investment and longevity risks are transferred to top rated insurance companies
- Employer fiduciary risk is reduced through the due diligence performed on each insurance company and the diversification of the annuity purchases
- Annual participant statements are provided indicating the dollar amount of income annuity units purchased during the current period and on a cumulative basis
- Benefit distributions are portable via annuity certificates that will be provided upon early separation of employment or retirement

	The (k) Annuity™	Traditional DB Plan
Employer Contributions	Discretionary	Required minimum funding
Funding	Defined % of payroll or flat dollar amount	Based on salary, service, interest rates, asset returns
Investment Risk	Transfers to the insurer	Retained by plan sponsor
Mortality Risk	Transfers to the insurer	Retained by plan sponsor
Administration	Simplified annuity income units/lower costs	Actuarial, accounting, asset management, PBGC
Financial Statement Impact	No impact	Balance Sheet volatility based on plan funded status
Reporting Compliance	Limited because benefits are insured	Full asset/liability disclosure

Furthermore, **The (k) Annuity™** affords plan sponsors the ability to contribute to their employees' retirement savings without the worry of poor investment performance and diminishing returns while avoiding many of the regulatory, risk and funding burdens of traditional defined benefit plans. To request more information or add **The (k) Annuity™** to your current plan/platform contact us at info@dietrichannuity.com or call 800-966-8376.

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